



Thomas J. Eagar  
Chief Executive Officer

April 2, 2008

The Honorable John Kerr, III, Co-Chair  
The Honorable Paul Luebke, Co-Chair  
Revenue Laws Study Committee  
NC General Assembly  
Raleigh, NC 27601

Dear Chairs:

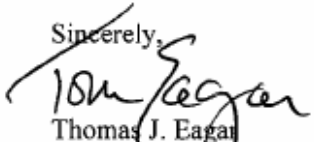
The Revenue Laws Study Committee will meet today to continue its review of the State's revenue laws and to also review the tax credits that expire in 2008-2009. The NC State Ports Tax Credit will expire January 2009. Please consider including in the committee's report to the General Assembly the recommendation to extend the Ports tax credit to 2014.


The NC Ports tax credit legislation, originally enacted in **1992**, encourages exporters and importers to use the two State-owned port terminals at Wilmington and Morehead City. This credit was extended in 1995, 1997, 2001, 2002 and 2003. It equals the amount of fees for wharfage, handling, and throughput paid to the North Carolina State Ports Authority in the taxable year that exceeds the average amount of charges paid to the Authority for the current tax year and the two previous tax years. The credit is limited to 50% of the tax imposed on the taxpayer for the taxable year and has a five-year carry forward on excess credit.

Your consideration to include a recommendation in the Revenue Laws Study Committee Report to extend the tax credit would allow the Ports to continue offering this business incentive to existing and potential customers and to stimulate economic growth for the State. Extending the NC Ports tax credit costs the State's general fund less than one million dollars each year, and allows companies such as CK International Lumber, QVC, Drexel Heritage Furniture, and Martin Marietta to be competitive in world markets. The NC Ports tax credit supports these and other industries and the thousands of jobs and millions of dollars in tax revenues that they contribute to our State.

Your favorable consideration of extending the NC State Ports tax credit to provide for consideration in the short session will enable North Carolina to continue to compete with neighboring states for a share of the global market as east coast ports prepare for anticipated growth.

Thanks for your consideration.

Sincerely,  
  
Thomas J. Eagar  
Chief Executive Officer

  
Carl J. Stewart, Jr.  
Chairman, NCSPA

NORTH CAROLINA STATE PORTS AUTHORITY

P.O. Box 9002 ■ Wilmington, NC 28402 ■ Tel: (910) 343-6232 ■ Fax: (910) 343-6237 ■ Email: [tom\\_eagar@ncports.com](mailto:tom_eagar@ncports.com)  
<http://www.ncports.com>

